109TH CONGRESS H. R. 436

AN ACT

To amend the Investment Company Act of 1940 to provide incentives for small business investment, and for other purposes.

109TH CONGRESS 1ST SESSION

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To amend the Investment Company Act of 1940 to provide incentives for small business investment, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- $2\ \ tives\ of\ the\ United\ States\ of\ America\ in\ Congress\ assembled,$

1 SECTION 1. SHORT TITLE.

2	This Act may be cited as the "Increased Capital Ac-
3	cess for Growing Business Act".
4	SEC. 2. AMENDMENTS TO THE INVESTMENT COMPANY ACT
5	OF 1940.
6	(a) Definition of Eligible Portfolio Com-
7	PANY.—Section 2(a)(46)(C) of the Investment Company
8	Act of 1940 (15 U.S.C. 80a–2(a)(46)(C)) is amended—
9	(1) by striking clause (i) and inserting the fol-
10	lowing:
11	"(i) it does not have any class of eq-
12	uity securities listed for trading on a na-
13	tional securities exchange or traded
14	through the facilities of a national securi-
15	ties association as described in Section
16	15A of the Securities Exchange Act of
17	1934;";
18	(2) by striking "or" at the end of clause (iii);
19	(3) by redesignating clause (iv) as clause (v);
20	and
21	(4) by inserting after clause (iii) the following
22	new clause:
23	"(iv) the aggregate value of its out-
24	standing publicly traded equity securities is
25	not more than \$250,000,000, except that
26	the Commission may adjust such amounts

by rule, regulation, or order to reflect
changes in one or more generally accepted
indices or other indicators for small business, consistent with the public interest,
the protection of investors, and the purposes fairly intended by the policy and provisions of this title; or".

- 8 (b) Assets of Business Development Compa-9 Nies.—Section 55(a)(1) of the Investment Company Act 10 of 1940 (15 U.S.C. 80a-55(a)(1)) is amended—
- 11 (1) in subparagraph (B), by striking "securities 12 with respect to which a member of a national securi-13 ties exchange, broker, or dealer may extend or main-14 tain credit to or for a customer pursuant to rules or 15 regulations adopted by the Board of Governors of 16 the Federal Reserve System under Section 7 of the 17 Securities Exchange Act of 1934" and inserting the 18 following: "equity securities listed for trading on a 19 national securities exchange or traded through the 20 facilities of a national securities association as de-21 scribed in Section 15A of the Securities Exchange 22 Act of 1934"; and
- (2) by striking "or" at the end of subparagraph
 (A), by inserting "or" after the semicolon at the end

	of subparagraph (B), and by inserting after sub
2	paragraph (B) the following new subparagraph:

"(C) from the issuer of such securities, which issuer is described in section 2(a)(46)(A) and (B) but is not an eligible portfolio company because the aggregate value of its outstanding publicly traded equity securities is more than \$250,000,000 but not more than \$500,000,000, if such securities represent not more than 10 percent of the total assets of the business development company invested in securities described in paragraphs (1) through (6) of this section;".

Passed the House of Representatives April 6, 2005. Attest:

Clerk.